

## Assembly Bill No. 2890

### CHAPTER 201

An act to add Sections 22168 and 50511 to the Financial Code, relating to lenders.

[Approved by Governor September 5, 2006. Filed with  
Secretary of State September 5, 2006.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2890, Ridley-Thomas. Lenders: employees.

The California Finance Lenders Law provides for the regulation and licensure of finance lenders and brokers by the Commissioner of Corporations. The California Residential Mortgage Lending Act provides for the regulation and licensure by the commissioner of persons engaging in the business of making residential mortgage loans or servicing residential mortgage loans.

This bill would authorize the commissioner to suspend or bar a person from being employed by a licensee under the California Finance Lenders Law or the California Residential Mortgage Lending Act if the commissioner finds that the person has committed certain acts for the purpose of misleading the public regarding his or her qualifications or experience.

*The people of the State of California do enact as follows:*

SECTION 1. Section 22168 is added to the Financial Code, to read:

22168. The commissioner may, after appropriate notice and opportunity for hearing, suspend for a period not to exceed 12 months or bar a person from any position of employment with a licensee if the commissioner finds that the person has willfully used or claimed without authority a designation or certification of special education, practice, or skill that the person has not attained, or willfully held out to the public a confusingly similar designation or certification for the purpose of misleading the public regarding his or her qualifications or experience.

(b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code). Upon receiving a request, the matter shall be set for hearing to commence within 30 days after receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or

service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.

(c) Upon receipt of a notice of intention to issue an order pursuant to subdivision (a), the person who is the subject of the proposed order is immediately prohibited from engaging in any activities subject to licensure under this division.

(d) Persons suspended or barred under this section are prohibited from participating in any business activity of a licensed finance lender and from engaging in any business activity on the premises where a licensed finance lender is conducting its business. This subdivision shall not be construed to prohibit suspended or barred persons from having their personal transactions processed by a licensed finance lender.

SEC. 2. Section 50511 is added to the Financial Code, to read:

50511. The commissioner may, subject to the requirements of subdivisions (b), (c), and (d) of Section 50318, suspend for a period not to exceed 12 months or bar a person from any position of employment with a licensee if the commissioner finds that the person has willfully used or claimed without authority a designation or certification of special education, practice, or skill that the person has not attained, or willfully held out to the public a confusingly similar designation or certification for the purpose of misleading the public regarding his or her qualifications or experience.